



AUDIT REPORT – MONTICELLO COMMUNITY SCHOOL DISTRICT

Audit Report Released. The State Auditor's Office recently released a report on a special investigation of the band program at the Monticello Community School District for the period January 1, 2009, through December 31, 2013.

Background. The audit was prompted by concerns that proceeds from certain fundraising events were not properly deposited to the checking account of the Monticello Band Parents Booster Club and collections deposited were not properly expended.

Findings. The Auditor's Office identified \$18,500 of improper and unsupported disbursements from the Band Parents Booster Club checking account. The \$5,800 of improper disbursements identified consists primarily of cash withdrawals from the Club checking account by the Band Director. The \$12,700 of unsupported disbursements identified includes payments to vendors and individuals. The Auditor's Office could not determine if additional amounts were improperly disbursed or if collections for fundraisers or uniform fees were properly deposited during the period reviewed because adequate records were not available.

Recommendations. The Auditor's Office made the following recommendations to prevent and correct improper practices:

- The school district should ensure all student activities with a nondistrict bank account are in compliance with current guidelines regarding fundraising. In addition, the school district should request amounts held in nondistrict bank accounts that should have been deposited with the district be remitted to the district.
- The duties of (1) collecting and depositing receipts, (2) making purchases and handling other disbursements, and (3) receiving and reconciling monthly bank statements and monitoring financial activity should be handled by separate employees.
- The school district should ensure all fundraisers held by a school club/organization are properly approved in advance. In addition, district officials should ensure all student activity sponsors are aware of the district's policy and the requirement for a written application.
- All Band Parents Booster Club disbursements should be made by check and should be approved by members of the Club prior to disbursement. The Club should discontinue the use of a debit card and cash withdrawals. In addition, detailed supporting invoices and/or receipts should be maintained for all disbursements.
- The Band Parents Booster Club should ensure sufficient supporting documentation is maintained for all collections. An independent person should reconcile the amount deposited to total collections to ensure all collections are properly deposited.
- The school district should implement procedures to ensure compliance with section 11.6(7) of the Iowa Code. The section requires governmental subdivisions to notify the State Auditor regarding any suspected embezzlement, theft, or other significant financial irregularities. The State Auditor was not notified when district officials became aware of the concerns regarding fundraising proceeds and the use of the Band Parents Booster Club checking account.

Additional Information. The complete audit report on the Monticello Community School District is available on the State Auditor's [website](#).

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